

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 EB-08 COME-00 TRSE-00

CIAE-00 INR-07 NSAE-00 L-03 OPIC-03 /037 W

-----200534Z 015483 /11/62

R 190741Z MAR 77

FM AMEMBASSY KABUL

TO SECSTATE WASHDC 1806

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C O R R E C T E D C O P Y (TEXT)

FOR NEA/PAB

E.O. 11652: N/A

TAGS: EAID, ECON, AF

SUBJ: KAJAKAI OVER-RUNS

REF: KABUL 1421

1. OUR REPRESENTATIONS TO MINISTRY OF FOREIGN AFFAIRS (MFA) CITED REFTEL RESULTED IN SERIES OF MEETINGS BETWEEN MINISTRY OF WATER AND POWER (MWP) AND INTERNATIONAL ENGINEERING COMPANY (IECO) TO HAMMER OUT THE AFGHAN GOVERNMENT'S POSITION ON OVER-RUN CLAIM OF THE CONTRACTOR, FISHBACH-OMAN INTERNATIONAL (FOI). BEGINNING MARCH 10, MWP AND IECO MET DAILY FOR DETAILED (AND, SEEMINGLY, INTERMINABLE) LOOK AT ALL ITEMS OF CLAIM, WITH OBSERVERS FROM MFA AND EMBASSY PRESENT AT EACH SESSION. THE CONTRACTOR WAS CALLED IN FOR AN INITIAL MEETING ON MARCH 13, AND FOR A FINAL NEGOTIATING SESSION ON WEDNESDAY, MARCH 16. BALL IS NOW IN FOI'S COURT, AND HUTSON LEFT KABUL FOR DALLAS ON MARCH 17 TO MULL OVER MWP'S REQUESTS FOR REDUCTIONS IN CLAIM AMOUNT AND ASCERTAIN HOW MUCH SUBSTANTIATING DOCUMENTATION

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FOI CAN FURNISH ON SPECIFIC CLAIM ITEMS.

2. IECO REPS, THOR CHRISTIANSEN, CURRENTLY CHIEF RESIDENT ENGINEER AND BOB RUFF, WHOM CHRISTIANSEN OFFICIALLY REPLACED LAST JUNE, MADE EXCELLENT EFFORT TO KEEP WHOLE PROCESS OF NEGOTIATION WITHIN RATIONAL BOUNDS. HOWEVER, MWP, REPRESENTED BY "KAJAKAI

COMMITTEE," WERE ADAMANT IN INSISTING UPON
STRIDENT REDUCTIONS IN FOI'S CLAIM PACKAGE,
AMOUNTING TO SOME \$390,000 IN THE DOLLAR CLAIM
OF \$1.01 MILLION, AND OVER 7 MILLION IN THE
22 MILLION CLAIM FOR LOCAL (AFGHANI) COSTS. WHILE
MANY OF THE REQUESTED REDUCTIONS WILL FALL OUT OF
THE EQUATION OF FOI CAN FURNISH SUITABLE DOCUMENTATION
TO BACK-UP THEIR POSITION, THE RESULTANT WILL STILL
REPRESENT A SUBSTANTIAL PERCENTAGE OF THE FOI
CLAIM.

3. COMMENT: WHILE WE WERE SUCCESSFUL IN GETTING
MWP AND FOI INTO ACTUAL NEGOTIATING SESSIONS, FINAL
RESOLUTION OF THE CLAIM IS STILL NOT IN SIGHT
FOI REPS WERE EVIDENTLY SHAKEN OVER MAGNITUDE OF
REDUCTIONS REQUESTED, PARTICULARLY SINCE THEIR
CLAIM HAD BEEN PARED SIGNIFICANTLY SOME MONTHS
AGO IN CONSULTATIONS WITH THE OWNER'S ENGINEER
(IECO). HOW MUCH OF THE REQUESTED DOCUMENTATION THE
CAN NOW FURNISH TO MWP IS NOT YET CLEAR. EVEN
LESS CERTAIN IS WHETHER FOI WILL ACCEPT THE FINAL
REDUCTION FIGURES OR DECIDE TO GO TO PT FOR ARBITRATION.
(FOI LEFT NO DOUBT THAT IF IT DID GO TO ARBITRATION,
ALL RPT ALL PREVIOUSLY NEGOTIATED REDUCTIONS
WOULD BE NULL AND VOID.) IT IS FAIR TO SAY,
HOWEVER, THAT HUTSON DID NOT LEAVE KABUL IN A HAPPY
FRAME OF MIND.

ELIOT

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CLAIMS, CONTRACTS, COST ESTIMATES
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KABUL01850
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Executive Order: N/A
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Film Number: D770095-0989
Format: TEL
From: KABUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770343/aaaabkup.tel
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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SAS ID: 3059146
Secure: OPEN
Status: NATIVE
Subject: KAJAKAI OVER-RUNS
TAGS: EAID, ECON, AF
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Type: TE
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